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Mr. Frederick Winant
Director, Foreign Activities Office
National Security Resources Board
Washington, D. C.

Dear Mr. Winant:

In accordance with your request, we have reviewed the following documents which accompanied your letter of 6 October 1950:

- (1) Supplementary Report to the National Security Resources Board on Wartime Procedures for Export Licensing - Text and Appendices A and B
- (2) Report on Wartime Import Controls for the National Security Resources Board
- (3) Enforcement of Export and Import Controls, National Security Resources Board Export and Import Controls Project
- (4) Report to the National Security Resources Board on Wartime Procedures for Export Control of Technical Data

We have also examined the Resources Board Monographs (NSRB 118/3 and 118/4) on export and import control policies in time of war to which you refer and which you had previously sent to us. The accompanying statement contains some specific observations upon each of the four special studies mentioned in your letter, particularly with respect to intelligence aspects of such operations. I hope that they will prove useful to you.

In general these special studies deal quite thoroughly with the administrative organization and detailed procedures of the processes with which they are concerned. They differ considerably, however, in at least two important respects: (a) the identification of the proper place or role which each process should play in a coordinated foreign economic program in time of war and, (b) the identification of the intelligence support which each process requires. For example, the Report on Wartime Import Controls considers quite fully the place which

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this process should occupy in a total war effort; the report on Wartime Procedures for Export Licensing tends to treat this latter problem rather too much in isolation (although it is very thorough in its discussion of the administrative details). The study on Enforcement of Export and Import Controls clearly recognizes the importance of intelligence in relation to enforcement. The other studies make reference to certain elements of the problem, elements in which intelligence is the real key. For example, the study on import controls refers to the importance of identification of the most promising sources for strategic materials and, conversely, the identification of the areas which might be most likely to fall under enemy control. Throughout these studies, however, there is inadequate treatment of the precise manner in which intelligence can be made to serve the several processes under consideration.

Your monographs on export and import controls (118/3 and 118/4) and on other foreign economic measures emphasize the needs for intelligence support for such measures. In dealing with foreign economic measures in time of war, as well as similar measures that may be incidental in times of peace, such intelligence support is clearly essential at all stages: in the formulation of policy; in the development of operational plans; in the establishment of criteria for administrative action (e.g., watch lists); and in the enforcement of economic measures.

It is understood that you intend to include a separate monograph covering the intelligence aspects of this problem. The completion of such a monograph and supplementary studies on the administrative aspects of intelligence should be very helpful to authors of studies such as you have sent to us for review and in any subsequent revision of such studies. An assessment of the needs and a formulation of plans for intelligence support of your program for economic measures, as you have contemplated, is highly desirable. I can assure you that this agency will be pleased to assist in every way possible in the preparation of a statement on the intelligence aspects of the problem.

Sincerely yours,

/S/
118/4
WILLIAM H. JACKSON
Deputy Director of
Central Intelligence

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